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The Aluminum Situation

Department of Economics and Statistics **November 1988**

INDUSTRY SHIPMENTS INCREASE 1.8%

Total industry net shipments for the first nine months of 1988, reported at 12,401 million pounds, were up 1.8 percent from the nine month 1987 total of 12,181 million pounds.

Domestic shipments of 11,156 million pounds were down 1.1 percent from the nine month 1987 total of 11,281 million pounds.

Exports of ingot and mill products of 1,245 million pounds were up 38.3 percent from the first nine months of 1987 while imports declined 10.4 percent for the same period.

THRU SEPTEMBER 1988

	1988 9 Mos.	1987 9 Mos.	% Change
Mill Products	10,122	9,858	2.7
Ingot	2,279	2,322	-1.9
Total	12,401	12,181	1.8
Less Exports	1,245	900	38.3
Domestic Total	11,156	11,281	-1.1

Figures in Millions of Pounds
Source: Bureau of the Census
U.S. Department of Commerce

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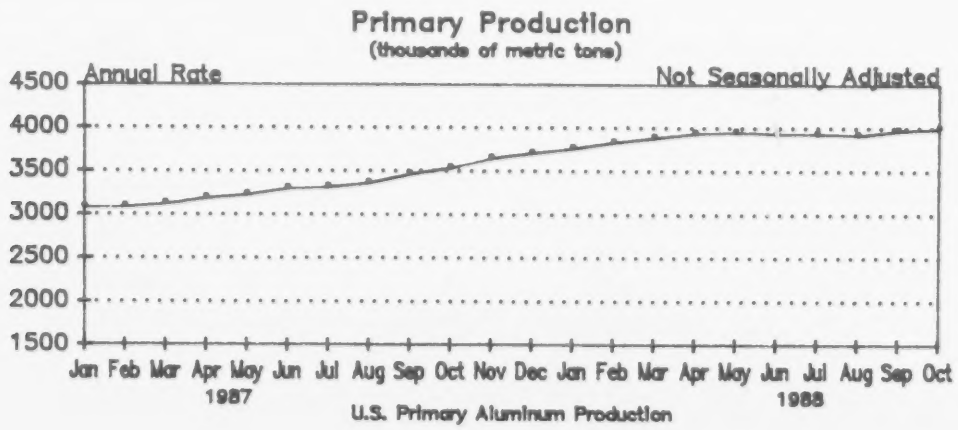
PRIMARY PRODUCTION DAILY RATE 10,949 METRIC TONS

U.S. primary aluminum production averaged 10,949 metric tons daily during October 1988. This compares with an average of 9,721 metric tons a day in October 1987 and 10,885 metric tons a day in September 1988. The annual rate of production in October 1988 was 4,007,216 metric tons compared with 3,548,295 metric tons in October 1987 and 3,983,751 metric tons in September 1988. Actual production in October 1988 was 339,409 metric tons.

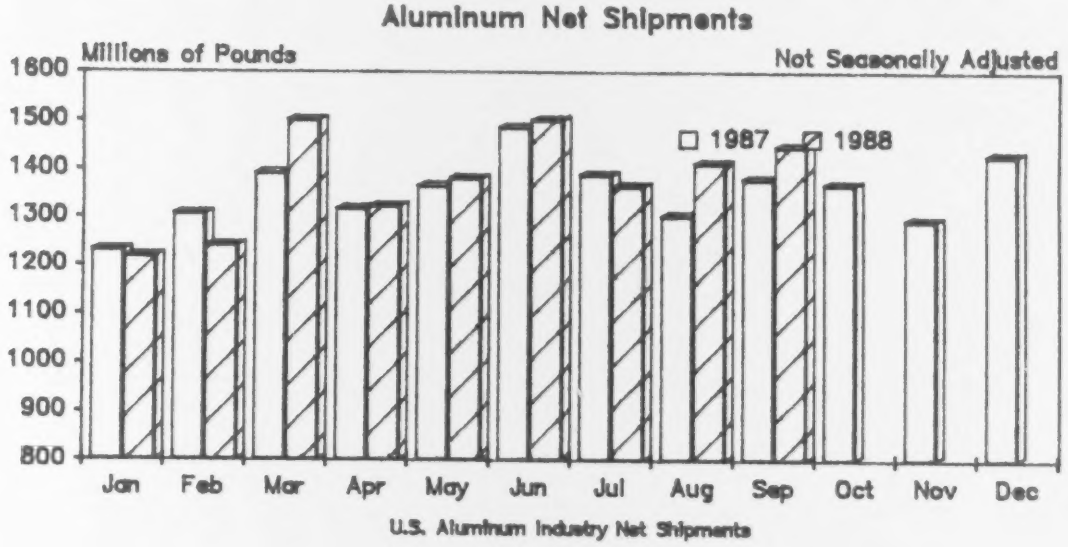


U.S. Primary Aluminum Production

Aluminum Association total industry estimates are based on information reported by members, which is aggregated by the Association and then expanded to total industry data utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

INDUSTRY NET SHIPMENTS INCREASE 1.8 PERCENT

Total industry net shipments for nine months of 1988, reported at 12,401 million pounds, were up 1.8 percent from the nine month 1987 total of 12,181 million pounds. Domestic shipments of 11,156 million pounds were down 1.1 percent from the nine month 1987 total of 11,281 million pounds.

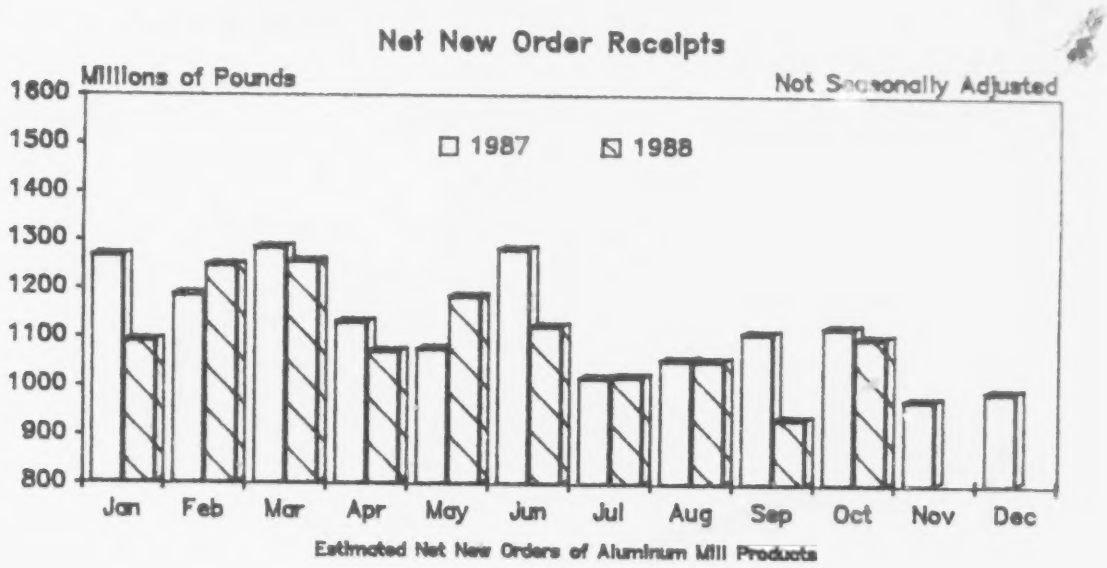


NET SHIPMENTS (Millions of Pounds)	1988 September	1987 September	1988 9 Mos.	1987 9 Mos.	% Change 1988 vs 1987
Sheet	625.5	598.0	5,437.5	5,302.0	2.6
Plate	25.2	22.8	227.7	202.7	12.3
Foil	73.9	72.2	687.6	649.7	5.8
Rod,Bar & Wire	26.4	30.1	203.4	279.9	-27.3
Elec. Conductor	57.6	53.1	525.5	472.3	11.3
Extruded Shapes,Tube	243.5	235.0	2,133.3	2,102.0	1.5
Powder & Paste	7.2	7.8	61.1	69.9	-12.6
Forgings & Impacts	13.4	14.2	127.6	118.7	7.5
Net Imports of Mill Products (Total) (a)	75.8	69.0	717.9	661.1	8.6
Total Mill Products	1,148.5	1,102.1	10,121.6	9,858.3	2.7
Ingot	299.7	279.4	2,279.2	2,322.5	-1.9
TOTAL INDUSTRY SHIPMENTS	1,448.2	1,381.5	12,400.8	12,180.8	1.8
Exports	165.5	110.7	1,244.7	899.8	38.3
TOTAL DOMESTIC SHIPMENTS	1,282.7	1,270.9	11,156.2	11,281.0	-1.1

Source: Bureau of the Census, U.S. Department of Commerce
(a) Not included in product data above.

NET NEW ORDER RECEIPTS DOWN 3.9 PERCENT

Estimated net new order receipts of aluminum mill products for ten months of 1988, totaling 11,091 million pounds, declined 3.9 percent from the ten month 1987 total of 11,539 million pounds. Total net new orders of aluminum mill products for the month of October 1988 increased to 1,102 million pounds, up 18.6 percent from the September 1988 total of 929 million pounds.



ORDER RECEIPTS
(Millions of Pounds)

	1988 October	1987 October	1988 10 Mos.	1987 10 Mos.	% Change 1988 vs 1987
Sheet & Plate, Other	339.4	470.9	3,753.5	4,471.6	-16.1
Can Stock	353.0	264.4	3,345.4	2,975.8	12.4
Foil	91.7	97.3	842.8	890.1	-5.3
Bar, Rod & Wire	24.2	37.0	379.8	353.0	7.6
Electrical Conductor	83.0	48.3	690.2	544.5	26.8
Extruded Shapes & Tube	186.8	181.8	1,853.6	2,085.4	-11.1
Powder & Paste	9.9	9.7	95.9	87.9	9.1
Forgings & Impacts	13.6	13.1	129.5	130.7	-0.9
Total Mill Products	1,101.6	1,122.5	11,090.7	11,539.0	-3.9

Source: The Aluminum Association estimates total industry orders (including orders for imports) based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available on a subscription basis.
(a) Domestic only. Orders for imports of Can Stock are included in Sheet and Plate, Other.

PRODUCER INVENTORIES DECREASE 15 MILLION POUNDS

Producer inventories decreased in September 1988 to a total of 4,198 million pounds. This represents a 15 million pound decline from the revised August 1988 level of 4,213 million pounds.

Month-End Aluminum Producer Inventories
By Type of Producer
(Figures in Millions of Pounds)

	Total	Ingot	Scrap	All Other
June	4,258	1,353	664	2,241
July	4,272	1,370	672	2,230
August	4,213r	1,310r	743r	2,161r
September	4,198	1,346	735	2,116

Source: Bureau of the Census, U.S. Department of Commerce.
(r) Revised

CUSTOMER INVENTORIES REPORTED AT 36.5 DAYS

Respondents to the Association's Customer Inventory Survey reported that their Average Days Inventory as of September 30, 1988 was 36.5, down 0.5 percent from August 1988.

Month-End Aluminum Consumer Inventories
(Average Number of Days)

June	36.4
July	36.8
August	36.7
September	36.5

Source: Aluminum Association - Customer Inventory Position Survey

U.S. Imports & Exports
(Millions of Pounds)

		1988 September	1987 September	1988 9 Mos.	1987 9 Mos.	% Change 1988 vs 1987
Imports	Mill Products	76.5	73.7	755.2	742.3	1.7
	Ingot	203.2	209.8	1,783.4	2,089.7	-14.7
	Total	279.7	283.5	2,538.6	2,832.0	-10.4
	Scrap (+ dross)	41.7	35.3	343.5	324.6	5.8
	Grand Total	321.4	318.8	2,882.1	3,156.6	-8.7
Exports	Mill Products	79.6	49.3	637.3	467.8	36.2
	Ingot	85.9	61.3	607.4	432.0	40.6
	Total	165.5	110.7	1,244.7	899.8	38.3
	Scrap	93.0	62.0	764.8	618.6	23.6
	Grand Total	258.4	172.6	2,009.5	1,518.5	32.3
Net Imports		62.9	146.2	872.7	1,638.1	-46.7

Source: Bureau of the Census, U.S. Department of Commerce.